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CURRENT MINNESOTA LABOR MARKET CONDITIONS

July, 1983 Supplement to The Review of Labor and Economic Conditions

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Nation

The economic reports for June and the first quarter indicate that the recovery has become considerably stronger than was anticipated. Economists had expected that this year's recovery would be weaker than most previous post-war upturns, but the growth for the first six months is close to average.

Although the unemployment rate continues to drop very slowly, both total and nonfarm payroll employment are registering very sharp gains. The seasonally adjusted unemployment rate fell another 0.1 of a point to 10.0 percent in June. Total employment (seasonally adjusted) rose by a strong 1.2 million in June. The sharp rise, however, may have been overstated because the survey was taken somewhat later than usual this year. Meanwhile, seasonally adjusted nonfarm payroll employment increased by 344,000 in June, the largest monthly rise in more than four years. Since December, payroll employment has risen by 1.1 million. During this six month period, manufacturing, trade and services have increased by 365,000, 500,000 and 200,000, respectively.

The best evidence of a stronger than expected recovery was an 8.7 percent jump in real gross national product for the second quarter. Also, industrial production climbed for the seventh consecutive month in June while retail sales rose for the fourth month in a row. Moreover, consumer spending has risen strongly in each of the past four months. Although housing starts fell slightly in June, they were 92 percent higher than a year ago.

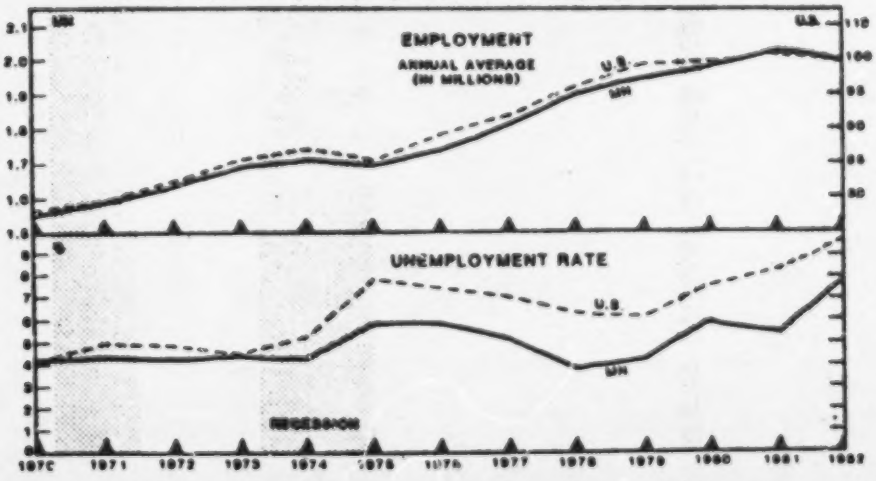
State

Data from both the labor force and establishment surveys indicate that the Minnesota economy did not improve between May and June. Although the unemployment rate rose much less than normal for June, total employment increased slightly less than usual while seasonally adjusted nonagricultural wage and salary employment actually showed a decline.

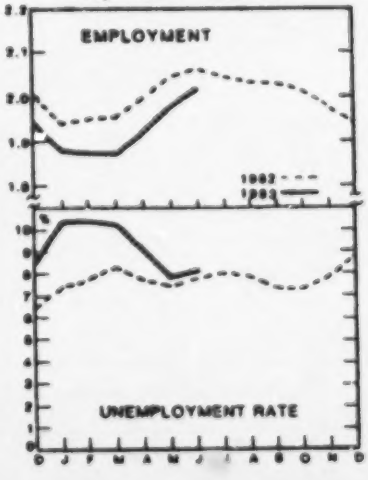
The seasonally unadjusted unemployment rate rose 0.2 of a point to 8.1 percent in June after a sizeable April to May decline. The small June increase which was only half of the average May to June rise may have been the result of an unfavorable view of the job market by the discouraged unemployed. Unadjusted total employment, which, on average, grows by 2.3 percent in June, rose by only 2.1 percent. Moreover, seasonally adjusted nonfarm payroll employment declined by 2,700 in June after a revised gain of 8,400 in May. Payroll employment in June was 13,600 higher than the recession low in December, but was still 80,100 below the previous high in January 1981. Over two-thirds of the employment gain since December was in the trade and services industries, while a fourth of the rise was in construction. Employment in manufacturing has only increased by 1,900 or 0.6 percent since December. Economists in the State expect that manufacturing employment will begin to rise later this year. Even though employment in construction rose modestly in June, it should climb again in the coming months as highway and housing construction picks up.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	June 1983	Change From Last Mo.	Change From Year Ago	June 1983	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2194.1	48.2	-48.0	113.4	3.1	1.8
Employed	2017.4	41.3	-49.9	101.8	2.3	1.1
Unemployed	176.7	6.9	1.9	11.6	0.8	0.7
Unemployment Rate						
Actual	8.1	0.2	0.3	10.2	0.4	0.4
Seasonally Adjusted	n.a	n.a	n.a	10.0	-0.1	0.5

MN and the U.S., Employment & Unemployment Rate



MN, 1982 and 1983



Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT[1] (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	June 1983	May 1983	June 1982	May 1983	June 1982	June 1983	May 1983	June 1983	May 1983	June 1983	May 1983
TOTAL NONAGRICULTURAL	1718.2	1707.7	1735.1	0.6	-1.0						
MANUFACTURING	337.0	333.8	348.6	0.9	-3.3	375.31	374.36	9.55	9.55	39.3	39.2
Durable Goods	199.6	198.8	208.7	0.4	-4.3	387.53	382.24	9.64	9.58	40.2	39.9
Furniture, Lumber and Wood	13.8	13.7	13.6	1.1	1.6	396.78	397.10	10.20	10.13	38.9	39.2
Stone, Clay and Glass	8.6	8.2	8.9	5.3	-3.2	367.09	367.05	9.51	9.46	38.6	38.8
Primary Metals	4.6	4.7	5.6	-2.1	-16.3	356.17	342.61	8.86	8.74	40.2	39.2
Fabricated Metals	32.2	32.1	33.4	0.3	-3.6	433.19	423.39	10.54	10.48	41.1	40.4
Nonelectrical Machinery	76.1	76.4	81.9	-0.4	-7.1	393.02	386.28	9.85	9.73	39.9	39.7
Electrical Machinery	26.4	26.3	26.6	0.4	-0.7	350.55	342.15	8.55	8.49	41.0	40.3
Transportation Equipment	5.9	5.9	6.1	1.6	-3.0	435.56	428.89	10.42	10.41	41.8	41.2
Other Durable Goods 2/	31.9	31.5	32.7	1.3	-2.3	359.79	359.68	9.04	9.06	39.8	39.7
Nondurable Goods	137.3	135.0	139.9	1.7	-1.9	361.17	364.23	9.43	9.51	38.3	38.3
Food and Kindred	44.5	42.7	45.8	4.4	-2.8	320.88	329.46	8.40	8.67	38.2	38.0
Textile and Apparel	4.4	4.5	4.9	-1.8	-10.0	226.70	228.96	6.35	6.36	35.7	36.0
Paper and Allied	32.5	32.0	33.0	1.8	-1.5	454.54	454.31	10.62	10.59	42.8	42.9
Printing and Publishing	35.0	35.2	35.5	-0.4	-1.4	355.00	355.70	10.26	10.34	34.6	34.4
Chemical and Petroleum	9.4	9.4	9.2	0.5	2.6	409.22	405.96	10.36	10.20	39.5	39.8
Rubber and Leather	11.4	11.4	11.5	0	-0.9	302.41	305.75	8.24	8.11	36.7	37.7
NONMANUFACTURING	1381.3	1373.9	1386.5	0.5	-0.4						
Mining and Quarrying	9.8	9.5	11.3	3.3	-13.2	372.56	363.26	11.79	11.91	31.6	30.5
Metal Mining	7.6	7.5	9.2	1.4	-17.1	369.09	367.72	12.64	12.68	29.2	29.0
Construction	65.6	59.0	66.0	11.1	-0.7	552.20	547.97	14.57	14.81	37.9	37.0
Building	17.0	16.1	17.9	6.0	-5.0	505.42	529.46	13.55	13.97	37.3	37.9
Highway and Heavy	14.6	10.9	12.7	33.5	15.3	514.42	470.40	12.19	12.25	42.2	38.4
Special Trades	34.0	32.0	35.5	6.1	-4.2	594.77	586.44	16.43	16.29	36.2	36.0
Transportation	60.3	61.5	58.9	-2.0	2.3						
Railroads	13.5	13.4	14.1	0.4	-4.7	524.86	524.86	11.41	11.41	46.0	46.0
Trucking and Warehousing	23.1	22.9	23.5	0.9	-1.7	430.98	427.25	11.84	11.77	36.4	36.3
Public Utilities	33.1	32.9	34.5	0.7	-4.0	480.25	480.64	12.22	12.23	39.3	39.3
Communications	19.0	18.9	20.0	0.5	-5.1	439.99	439.99	11.34	11.34	38.8	38.8
Elec., Gas and Sanitary	14.1	14.0	14.5	0.9	-2.5	525.83	527.03	13.18	13.21	39.9	39.9
Trade	435.9	430.8	439.5	1.2	-0.8	219.98	216.35	7.26	7.26	30.3	29.8
Retail	325.1	320.4	324.6	1.5	0.2	176.40	172.07	6.30	6.28	28.0	27.4
General Merchandise	43.5	43.4	45.5	0.1	-4.3	172.87	167.84	5.90	5.91	29.3	28.4
Food Stores	46.4	45.3	45.4	2.4	2.3	211.23	207.89	7.36	7.32	28.7	28.4
Automotive	34.5	34.1	34.5	1.2	0	265.25	262.75	7.43	7.36	35.7	35.7
Eating and Drinking	111.0	109.1	111.0	1.8	0	106.28	102.71	4.77	4.69	22.7	21.9
Wholesale	110.7	110.4	114.9	0.3	-3.6	375.19	371.30	9.72	9.72	38.6	38.2
F.I.R.E.	98.9	98.1	99.1	0.8	-0.2						
Finance	47.0	46.7	46.2	0.6	1.8						
Insurance	35.2	35.1	35.9	0.2	-1.8						
Real Estate	16.7	16.2	17.0	2.8	-1.9						
Service Industries	390.0	389.3	384.2	0.2	1.5						
Hotel and Lodging	22.4	20.9	22.6	7.2	-0.9						
Business Services	58.0	57.9	56.2	0.1	3.2						
Health Services	135.3	134.4	132.8	0.7	1.8						
Private Education	19.2	24.3	19.0	-21.0	1.1						
Soc. Serv., Museums etc.	83.4	82.2	82.8	1.4	0.8						
Government	287.7	292.8	293.0	-1.8	-1.8						
Federal	30.0	29.9	30.6	0.6	-1.9						
State	68.1	73.8	68.1	-7.8	-0.1						
Local	189.6	189.1	194.2	0.2	-2.4						

1/ Totals may not add because of rounding.
2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Force Data: State, SMSAs, and Counties

Area or County	June, 1983 Prelim. Labor Force[1/]	Unemp.	Un. Rate
State of Minnesota	2194133	176692	8.1
Metropolitan Areas			
Duluth/Superior (Duluth City Only)	37479	5159	13.8
Fargo/Moorhead (Clay County, MN Only)	27734	2269	8.2
Minneapolis/St. Paul SMSA[2/]	1164932	80563	6.9
Rochester SMSA (Olmsted Co.)	59836	3497	5.8
St. Cloud SMSA[3/]	79322	7511	9.5
Counties			
Aitkin	5762	1057	18.3
Anoka	111486	8832	7.9
Becker	13032	1595	12.2
Beltrami	16700	1503	9.0
Benton	12240	1161	9.5
Big Stone	4241	302	7.1
Blue Earth	29636	1960	6.6
Brown	15894	1208	7.6
Carlton	12290	1431	11.6
Carver	20646	1243	6.0
Cass	11263	1214	10.8
Chippewa	7748	621	8.0
Chisago	14450	981	6.8
Clay	27734	2269	8.2
Clearwater	4272	726	17.0
Cook	2464	305	12.4
Cottonwood	7923	461	5.8
Crow Wing	18116	1962	10.8
Dakota	108598	6932	6.4
Dodge	8728	719	8.2
Douglas	14328	1071	7.5
Faribault	11561	904	7.8
Fillmore	13268	952	7.2
Freeborn	18669	1657	8.9
Goodhue	20176	1527	7.6
Grant	3847	234	6.1
Hennepin	529160	36094	6.8
Houston	10525	649	6.2
Hubbard	5880	745	12.7
Isanti	10438	1057	10.1
Itasca	18556	2770	14.9
Jackson	8558	519	6.1
Kanabec	6004	735	12.2
Kandiyohi	18931	1407	7.4
Kittson	3625	331	9.1
Koochiching	7777	919	11.8
Lac qui Parle	6368	371	5.8
Lake	4789	1596	33.3
Lake of the Woods	2049	173	8.4
Le Sueur	13006	1163	8.9
Lincoln	4243	241	5.7
Lyon	15496	902	5.8
McLeod	17878	1318	7.4
Mahnomen	3262	365	11.2
Marshall	6943	891	12.8
Martin	14733	1143	7.8
Meeker	12046	1318	10.9
Mille Lacs	9347	960	10.3
Morrison	13400	1508	11.3
Mower	18818	1686	9.0
Murray	6714	435	6.5
Nicollet	15166	919	6.1
Nobles	12415	620	5.0
Norman	5196	458	8.8
Olmsted	59836	3497	5.8
Otter Tail	25800	2189	8.5
Pennington	6530	679	10.4
Pine	10329	1142	11.1
Pipestone	5963	270	4.5
Polk	16079	1863	11.6
Pope	6057	461	7.6
Ramsey	259241	18428	7.1
Red Lake	2411	392	16.3
Redwood	11485	691	6.0
Renville	12554	1095	8.7
Rice	24129	1863	7.7
Rock	6189	270	4.4
Roseau	6144	570	9.3
St. Louis (Inc. Duluth)	92099	14711	16.0
Scott	24657	1725	7.0
Sherburne	14644	1488	10.2
Sibley	9083	610	6.7
Stearns	52438	4862	9.3
Steele	17826	1367	7.7
Stevens	6283	339	5.4
Swift	6829	644	9.4
Todd	12666	1082	8.5
Traverse	3150	204	6.5
Wabasha	9988	760	7.6
Wadena	5811	612	10.5
Waseca	9443	780	8.3
Washington	63434	3951	6.2
Watonwan	7202	663	9.2
Wilkin	4677	348	7.4
Winona	22974	2177	9.5
Wright	33260	2377	7.1
Yellow Medicine	8527	462	5.4

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.61 ; employment was multiplied by 1.01. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

2/ Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

3/ Benton, Sherburne, and Stearns Counties.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Although the number of claimants for unemployment benefits fell sharply between May and June, as well as from a year ago, an undetermined part of these declines was the result of some unemployed persons no longer being eligible for benefits. Nevertheless, the total number of claimants dropped by 6,031 or 13.5 percent between May and June, the largest June decline both numerically and in percentage terms since June 1979. Nearly all of the June decrease was among claimants in construction and manufacturing. Over-the-year, claimants declined by 19,976 or 34.1 percent. The decrease from a year earlier in June was the fourth in a row. In addition to the large declines in claimants in construction and manufacturing from June 1982, there was a significant over-the-year decrease among claimants in the mining industry. However, employment in the mining industry is likely to fluctuate considerably on a month to month basis, with industry claims for unemployment benefits behaving in a similar manner.

Table 1. Distribution of Insured Unemployed, By Age and Sex, June, 1983

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	38598	62.2	100.0	100.0
Under 45	29030	63.2	76.3	73.4
Under 25	7033	63.8	18.6	17.5
25-34	13872	64.9	37.5	33.4
35-44	8125	59.6	20.2	22.5
45 and Over	9568	59.4	23.7	26.6
45-54	5315	59.0	13.1	14.9
55 and Over	4253	60.0	10.6	11.7

Table 2. Distribution of Insured Unemployed By Industry and Occupation, June, 1983

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term 1/ Unemployed	Women as Percent of Total
Total, All Industries	38598	100.0	27.2	38.1
Ag., For., Fish.	360	0.9	27.5	28.7
Mining	1068	2.8	7.9	4.4
Construction	4509	11.7	30.8	5.4
Manufacturing	11473	29.7	25.6	34.4
Pub. Utilities	2134	5.5	24.9	24.5
Wholesale Trade	2872	7.5	35.2	29.5
Retail Trade	5567	14.4	36.3	48.1
Fin., Ins., Real Est.	1039	2.8	34.8	59.7
Services	8303	21.5	21.5	61.3
Public Admin.	584	1.5	28.6	48.1
Inf. Not Available	639	1.7	4.9	39.1
Total, All Occupations	38598	100.0	27.2	38.1
Prof., Tech., Mgr.	6885	17.8	25.0	48.4
Clerical	5035	13.0	31.7	81.9
Sales	1782	4.6	39.0	41.9
Services	3265	8.5	28.8	56.4
Farm., For., Fish.	254	0.7	25.2	16.5
Processing	3019	7.8	9.9	25.2
Machine Trades	2588	6.7	31.5	16.3
Benchwork	3093	8.0	30.2	57.5
Structural Work	6158	16.0	29.9	2.6
Misc.	6007	15.6	24.1	21.1
Inf. Not Available	512	1.3	31.7	30.8

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply) June 1983	Job Openings (Demand) June 1983	Supply/Demand Ratio	
			June 1983	June 1982
Total	115547	6921	16.7	8.2
Prof., Tech., Mgr.	13640	520	26.2	8.1
Clerical	18404	1868	9.9	6.8
Sales	4919	921	5.3	4.4
Dom. Services	2339	162	14.4	2.6
Other Services	15934	1194	13.3	4.6
Farm., Fish., For.	7659	195	39.3	16.1
Processing	2720	551	4.9	3.3
Machine Trades	7893	229	34.5	19.4
Benchwork	7920	192	41.3	20.4
Structural Work	15884	277	57.3	14.7
Mtr. Frght., Trans.	4919	103	47.8	18.5
Pkg. & Mat. Hndlg.	11559	674	17.1	11.0
Other	1757	35	50.2	25.9

1/ Inexperienced and improperly coded job applicants are not included in this table.